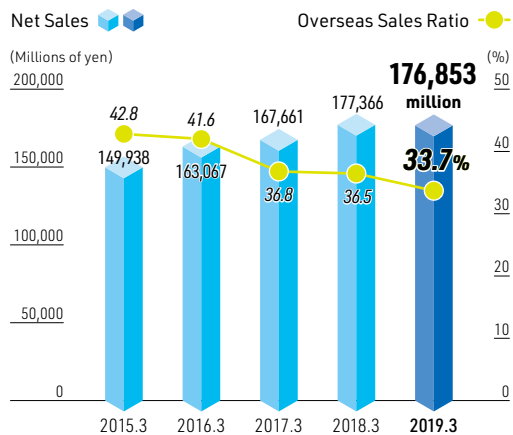


# Performance Highlights

Consolidated Results for the year ended March 31, 2019

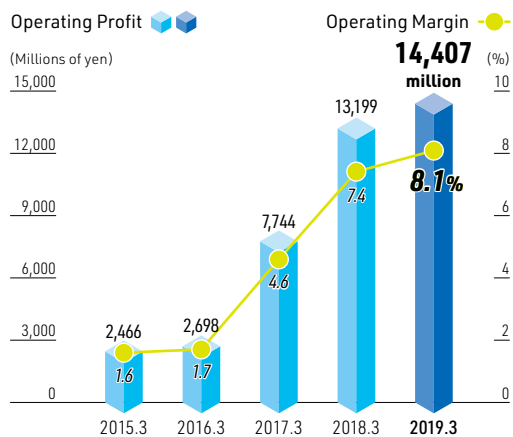
## Net Sales

¥176.8 billion



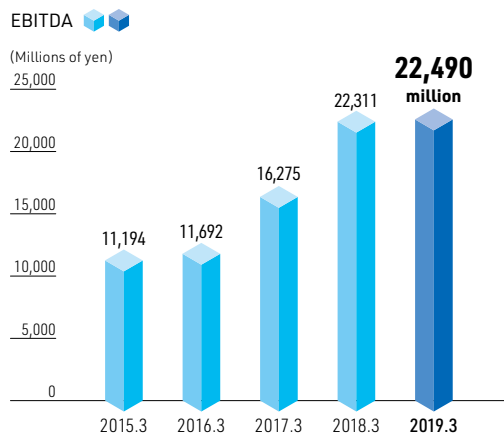
## Operating Profit

¥14.4 billion



## EBITDA

¥22.4 billion



# Review of Fiscal 2018 (the fiscal year ended March 31, 2019)

## Toy Market

In the fiscal year ended March 31, 2019, the Japanese toy market value grew 5.0% year on year, to ¥839.8 billion, the highest value since this survey began in the fiscal year ended March 31, 2002. Specifically, card games and trading card games grew 23.9% compared with the previous year as girls' toys, such as surprise toys and girl characters, also performed well, achieving double-digit growth of 14.2%. Despite the ongoing decline in birthrates, the toy market has continued to grow since the fiscal year ended March 31, 2010.

(Source: The Japan Toy Association)

## Performance Highlights

### Net Sales Matched the Previous Fiscal Year as Operating Profit, Ordinary Profit and Net Income Reached All-Time Highs

Despite favorable sales of core products and new product lines launched during the fiscal year, as well as an increase in overseas exports of BEYBLADE BURST and other products, overseas sales of character products declined, resulting in a 0.3% decrease in net sales, which amounted to ¥176,853 million, approximately the same level as in the previous fiscal year.

Operating profit increased 9.2% year on year to ¥14,407 million on higher gross profit due to net sales matching the previous fiscal year's level and product mix improvements. Ordinary profit rose 15.2% to ¥14,303 million due to the increase in operating profit and a decline in foreign exchange losses. Profit attributable to owners of parent rose 16.8% to ¥9,302 million due to the increase in ordinary profit.

As a result, in terms of profit, operating profit, ordinary profit and profit attributable to owners of parent reached all-time highs.

In Japan, sales of core products including PLARAIL and LICCA continued to be favorable. Successful enhancements to DUEL MASTERS product capabilities drove favorable sales and a new product L.O.L. SURPRISE! gained in popularity.

Overseas (TOMY International Group), sales of collectible agricultural machinery toys were robust. PRINTOSS (overseas product name: KiiPix), which was developed in Japan, was introduced into Europe, Americas and Oceania region to a positive reception. At the same time, character toys sales decreased, causing both net sales and profit to decline.

## Overview by Regional Segment

### Japan

#### Continued Favorable Performance of Core Products, the Launch of Noteworthy New Products and the Development of Proprietary Animation Content Led to Higher Sales and a Significant Profit Increase

Core product PLARAIL, which commemorates its 60th anniversary in 2019, and newly launched merchandise related to the television animation SHINKALION performed well. In February 2019, RYOGOKU PLARAIL STATION was opened for a limited time, and in March, a variety of newsworthy commemorative events were held, including a collaboration with the Kyoto Railway Museum. Favorable sales of LICCA, which celebrated her 50th anniversary in 2017, were driven by the beauty series of AQUA CURL dolls with hair that can be arranged and different dress sets. This series has been growing in popularity since the previous fiscal year. In terms of TOMICA, the TOMICA 4D created a buzz with its new gimmicks incorporating realistic idling engine sounds and vibrations.

As for toys exported overseas, in November 2018, an international tournament was held in France for the next-generation spinning top BEYBLADE BURST that generated popularity for this toy overseas and led to increased sales. We enhanced the product capabilities of trading card game DUEL MASTERS by revising card content, while a tournament held in March 2019 successfully increased this product's popularity. Additionally, since the June 2018 launch of merchandise related to dinosaur and animal-themed ZOIDS WILD, we have proactively promoted related content development, including television animation broadcasts that began in July, an amusement machine that was released in January 2019, and in February, sales of video game software were launched.

Regarding new products, we continue to release merchandise for the series L.O.L. SURPRISE! launched in July 2018, which has led to this product becoming a major hit in the surprise toy category. In terms of live action TV drama series, the second series, MAGICAL x HEROINE MAGIMAJOPURES! was released and character recognition increased due to the television broadcasts, resulting in favorable sales of related merchandise.

With regard to T-ARTS Company, Ltd., additions were made to the Pokémon Ga-Olé and other amusement machine lineups as shipments of OEM merchandise grew. As a result, net sales edged up 2.0% year on year to ¥148,732 million, and operating profit grew significantly at 17.4% to ¥16,734 million.

## Overseas

**In Europe, the Americas and Oceania, Flagging Character Sales Adversely Affect Earnings.**

**In Asia, Proactive Introduction of Proprietary Content Including Movies and Toys Drive Higher Sales and Profit.**

### Americas

Agricultural machinery toy sales were robust due to the launch of a 100-year commemorative tractor model and collection merchandise. In addition, PRINTOSS (overseas product name: KiiPix), a popular app developed in Japan enabling the easy printing of smartphone pictures, was released in the United States, Mexico and Canada where it was well received. In terms of net sales, character toy sales declined and some baby product performance was lackluster, resulting in a 23.1% decline year on year to ¥17,998 million and an operating loss of ¥81 million (compared with operating profit of ¥236 million in the previous fiscal year).

### Europe

In addition to solid sales of agricultural machinery toys and baby products, KiiPix was launched in eight countries including England, France and Germany where it gained strong popularity. At the same time, character toy sales declined, resulting in net sales of ¥5,325 million, down 27.3% compared with the previous fiscal year. Additionally, the discounted sales of some products led to a lower gross profit margin, resulting in an operating loss of ¥659 million (compared with operating profit of ¥239 million in the previous fiscal year).

### Oceania

Agricultural machinery toy sales were strong due to the launch of a 100-year commemorative tractor model. Although the KiiPix release was greeted favorably, character toy sales struggled, resulting in a 13.8% year-on-year decline in net sales, which amounted

to ¥1,783 million. A decline in inventory valuation led to an operating loss of ¥21 million (compared with an operating loss of ¥240 million in the previous fiscal year).

### Asia (excluding Japan)

Television animation based on next-generation spinning top BEYBLADE BURST began broadcasts in 10 Asian countries and regions, and in September 2018, we launched sales of limited merchandise in Asia. In South Korea, sales increased as a result of various marketing measures, such as event tie-ups with companies that run academic prep schools and collaborations with elementary schools in Hong Kong.

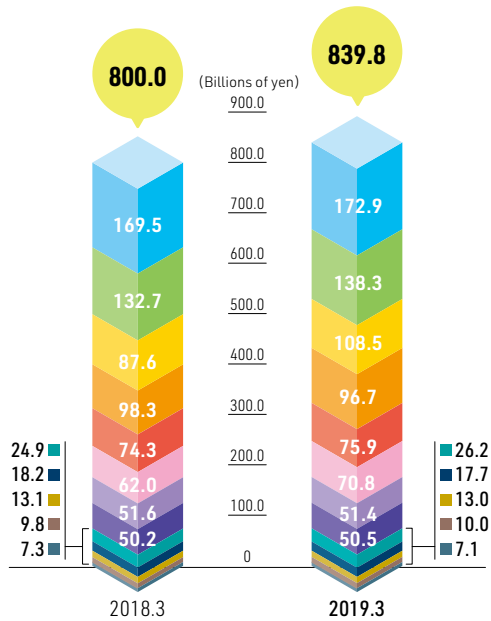
In October 2018, TOMICA held a sales promotion event for the TOMICA 4D, which features gimmicks incorporating realistic idling engine sounds and vibrations, in Taiwan, Hong Kong and Singapore. In addition to efforts aimed at strengthening brand power by exhibiting at a motor show in South Korea in November, PLARAIL sold *THOMAS & FRIENDS*-related products mainly in South Korea, where they were received favorably. LICCA dolls, which are available in Taiwan, Hong Kong, Thailand and Vietnam, went on sale in China in September 2018.

We also proactively developed proprietary content, including the broadcasting launch of live action television program MIRACLE TUNES! and animation program TOMICA HYPER RESCUE DRIVE HEAD. Additionally, the ZOIDS WILDS TV animation began broadcasting in South Korea in October 2018, then Hong Kong and Thailand in November and in Taiwan in December. In March 2019, movies were promoted in the Philippines and Vietnam in conjunction with the launch of toys in those markets. Although shipments from manufacturing subsidiary TOMY (Hong Kong) Ltd. to Europe and the United States declined, net sales rose 0.9% year on year to ¥54,033 million and operating profit was up 13.0% to ¥903 million.

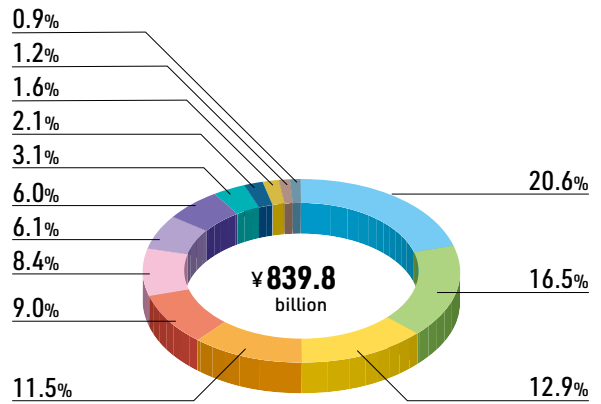
(Millions of yen)

	2018.3	2019.3	Change	Change (%)
<b>Net sales</b>	¥177,366	¥176,853	¥(512)	(0.3)
Japan	145,854	148,732	2,877	2.0
Americas	23,415	17,998	(5,417)	(23.1)
Europe	7,322	5,325	(1,996)	(27.3)
Oceania	2,067	1,783	(284)	(13.8)
Asia (other than Japan)	53,542	54,033	490	0.9
Eliminations and corporate	(54,836)	(51,018)	3,817	-
<b>Operating profit (loss)</b>	13,199	14,407	1,207	9.2
Japan	14,255	16,734	2,478	17.4
Americas	236	(81)	(317)	-
Europe	(239)	(659)	(419)	-
Oceania	(240)	(21)	218	-
Asia (other than Japan)	800	903	103	13.0
Eliminations and corporate	(1,612)	(2,468)	(855)	-

## Japanese Toy Market



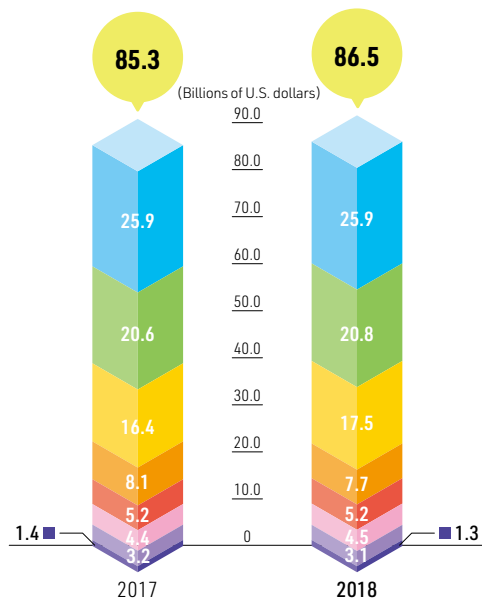
The survey period of each year is April 1 to March 31.



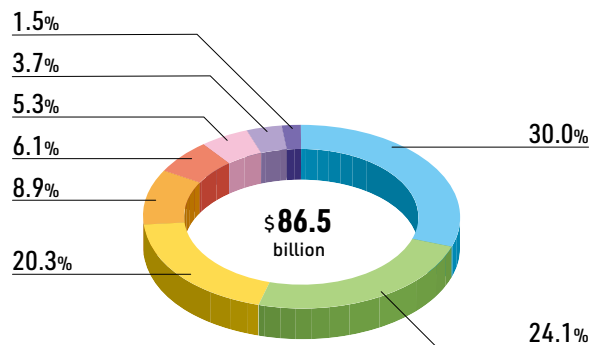
(Source: The Japan Toy Association)

- Educational toys
- Hobbies
- Card games, trading card games
- Stationery, gifts, etc.
- Boys' characters
- Girls' toys
- Seasonal toys
- Boys' toys
- Stuffed toys
- Games
- Others
- Jigsaw puzzles
- Interactive toys

## Global Toy Market



The survey period of each year is January 1 to December 31.



(Source: Euromonitor International)

- North America
- Latin America
- Middle East and Africa
- Western Europe
- Japan
- Australasia
- Asia Pacific (ex-Japan)
- Eastern Europe